IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 25 OF 1992

WITH

INCOME TAX REFERENCE NO. 492 OF 1998

WITH

INCOME TAX REFERENCE NO. 505 OF 1998

WITH

INCOME TAX REFERENCE NO. 506 OF 1998

WITH

INCOME TAX REFERENCE NO. 787 OF 1998

Commissioner of Income-tax, Pune. ... Applicant.

V/s.

Shri Dilip S. Sable, Pune. ... Respondent.

A.K.Kotangale for the applicant.

Ms.Phalguni Thakkar i/b. Rustamji & Ginwala
for the respondent.

CORAM : V.C.DAGA AND A.S.AGUIAR, JJ.

DATED : 3rd August 2005.

P.C. :

. Heard learned counsel for th applicant-revenue. Perused reference proceedings.

2. In all these matters, learned counsel for the respondents invited our attenntion to the instructions issued by the Central Board of Direct Taxes, New Delhi dated 27th March, 2000; wherein

monetary limit for the department for filing reference to the High Court earlier fixed for Rs.50,000/- came to be revised and fresh instructions are issued by the Board to file reference only in cases where tax effect exceeds Rs.2,00,000/-.

4. This Court in the case of **C.I.T. v. Camco Colour Co.**, (2002) 254 ITR 565 ruled that the above instructions are binding on the department.

5. The above instructions dated 27th March, 2000 reflects the policy decision taken by the Board not to raise questions of law where the tax effect is less than the amount prescribed in the instructions with a view to reduce litigations before High Courts and Supreme court. The circular is binding on the Revenue. There is no justification to proceed with the decades old references having negligible tax effect.

6. We, thus, do not think it necessary to answer these references. Accordingly, the above references stand returned unanswered with no order as to costs.

(A.S.AGUIAR, J.) **(V.C.DAGA, J.)**